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Downtown Housing For Boston

The recent growth and prospects of Boston's downtown are unique, both in comparison with other large cities, and in terms of its role in the city as a whole, and housing development is one of the key areas in which downtown has excelled and will continue to do so. And with appropriate city planning policy and interested and enthusiastic private initiative, goals for housing for low and moderate income households can be achieved without out-of-pocket public subsidy; in fact, it is already happening.

A recent comparative analysis of the downtowns of 38 large cities ranked Boston 4th or 5th in a range of key measures. The report, by one of the nation's largest private development entities, evaluated the downtowns in terms of market strength, economic growth and improvement, retail trade, the office market, the hotel market, and the housing market.

In Boston, Downtown has led the way, in recent times, in jobs and people and housing, and will continue to do so in the next five years and to the end of the century.

Downtown's modern economic development began in the 1960's, and took off in the 1970's with a growth of 15,000 people and 6,000 dwellings, and, in the last ten years, 50,000 jobs.

Downtown, with more than half of Boston's jobs, may be expected to garner more than two-thirds of the City's 50,000 + projected job gain in the next five years, and the 90,000 + anticipated in the 1990-2000 era, as Boston's modern finance, communications and broad-based services economy continues to thrive, supplemented by new advances in high technology industry development.

And Downtown, with a tenth of the City's population and housing, will be the locus of more than one-fourth of the projected five year city-wide growth in population and housing, as well as that for the 1990-2000 horizon.

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A unique concentration of vacant and underutilized land and structures, and related housing development project proposals, endow Downtown with a major share of the City's housing development potential.

A recently conducted survey of the Downtown housing market confirmed the general upscale nature of the market, and, together with a companion construction and development cost study, point to the conclusion that there is a real market potential for housing Downtown. The Boston Assessing Commissioner recently reported that the average value of single-family homes (including condominiums) was $150,000 downtown and $450,000 in Back Bay - Beacon Hill. A market survey showed 1-bedroom rentals of $700 to $1,200, and development costs requiring rents between $850 and $1,300. For owner-occupied dwellings, the 1-bedroom market ranged between $70,000 and $150,000, and the development cost case studies yielded prices of $60,000 to $135,000. The conclusion is that the market for residential use is strong, without out-of-pocket subsidies.

But not strong enough to compete with the commercial development alternative.

Inclusionary zoning leverage is needed to favor housing and this is the heart of city strategy for downtown housing. Starting with inclusionary zoning, the goal is to achieve a higher share of affordable housing for low and moderate income households thru the use of publicly held land, and below-market financing.

A survey of land use downtown suggests a potential for 5,000 dwellings downtown in the next five years, and an additional 10,000 to the end of the century. Much of the land is publicly held by the BRA, the City, the State and the federal government - ; much is privately owned. Some of the land is zoned residential, but much is presently zoned commercial and industrial.

Most importantly, substantive housing development project proposals are in hand for many of the potential development sites.

Jobs and population and housing are inter-related. Without the housing, Boston residents would have more limited access to the jobs, commuter traffic would be exacerbated, and job location might be discouraged.

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